

6 April 1955

SAIGON CRISIS

- I. A seven-day extension of uneasy truce in Saigon, announced today, has postponed a test of arms between the Diem government and the Binh Xuyen gangster organization that controls the national police.
 - A. The breathing-spell will be used to seek a "political" settlement, instead.
 - B. The French can be expected to continue their efforts to get Diem out or to transform his government into one more to their liking.
- II. Opposing forces in the Saigon area are as follows:
 - A. Vietnamese National army troops (in Saigon and its environs) total 13 battalions, or approximately 10,000 men.
 - 1. Their arms are far superior to those of the opposing forces but the National army is dependent on the French for logistic support.
 - B. Binh Xuyen troops total 3,500.
 - 1. For years they have received their arms and ammunition from the French.
 - 2. This supply was terminated in February, according to French officials, thus leaving the Binh Xuyen with no apparent logistic support.

C. Allied with the Binh Xuyen are the Hoa Hao, whose troops total 15-20,000. These forces, however, are located west of Saigon.

1. Although the Hoa Hao are capable of considerable harassment of the ferry and road communications in the Saigon area, they could not move into the city unless the French permitted them to do so.

D. Troops of the third "sect," the Cao Dai, total some 16,000, located north of Saigon.

1. Commanders of these forces have declared their support of Diem but the French insist this is merely a maneuver for monetary profit and that these officers are actually anti-Diem.

2. American observers believe that, in any case, the Cao Dai would remain aloof from any armed showdown in Saigon.

E. Finally, the French Expeditionary Corps in the Saigon area totals 34,000.

III. General Collins estimates that the National army could easily both destroy the Binh Xuyen establishments in Saigon and capture the Binh Xuyen-held National Police headquarters--the immediate bone of contention.

A. General Ely has expressed a similar opinion but the French insist that a "revolutionary situation" exists.

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1. They claim that an attack on the Binh Xuyen would only result in their being driven into the countryside, where they would become a rallying point for all anti-Diem elements--with resultant civil war.
2. This French claim appears not to take into account the fact that the unsavory Binh Xuyen gangsters have no popular base or appeal.

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